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State of Utah

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

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DOGM
MINERALS PROGRAM
FILE COPY

March 24, 1989

CERTIFIED RETURN RECEIPT P 592 431 905

Mr. Ron McFadden
Vice President of Finance
Interpace Industries
Woodinville, Washington 98072

Dear Mr. McFadden:

Re: Bonding Requirements, Clinton Pit, M/049/006, Utah County, Utah and Pleasant View Pit, M/057/003, Weber and Box Elder Counties, Utah

On January 26, 1989, the Board of Oil, Gas and Mining (Board) conditionally approved your proposal for the form and amount of surety required for the above referenced mines.

The following conditions must be met to satisfy the Board:

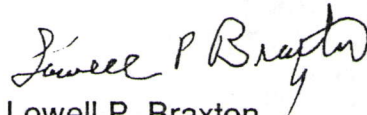
- (a) The enclosed Reclamation Contract and Collateral Bond Agreement (Exhibit B) must be signed and returned; and
- (b) The incremental surety schedule must be strictly followed.

As I explained in an earlier letter, dated December 7, 1988, the Board had not previously approved this type of surety arrangement for minerals reclamation bonds. The acceptance of this form of surety will be the first in the minerals program. I cannot over emphasize the importance of your timely compliance with the conditions outlined in the Collateral Bond Agreement.

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Ron McFadden
Interpace Industries
March 24, 1989

Please complete the enclosed forms and return them to me no later than April 28, 1989. After the Board chairman signs them, I will return a copy for your files. Do not hesitate to call me or Scott Johnson if you have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lowell P. Braxton". The signature is fluid and cursive, with a large, stylized initial "L".

Lowell P. Braxton
Administrator
Minerals Resource Development
and Reclamation Program

jb
Enclosure
cc: Scott Johnson
MN18/61-62